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**Contact: Mary Broz
(804) 367-9142
broz@dpor.state.va.us**

Recent Tornadoes, Severe Weather Raise Risk of Fraud ***State Warns Public: Beware of Unlicensed Contractors***

RICHMOND – Following recent heavy storm and tornado damage throughout parts of central and southside Virginia, the Virginia Department of Professional and Occupational Regulation (DPOR) cautions citizens to be wary of itinerant contractors and home repair scam artists. Virginia law requires a state license – not just a local business license – for most contracting work or bids over \$1,000.

“In the aftermath of severe weather, homeowners trying to make repairs can be vulnerable to con artists,” warns DPOR Director Louise Fontaine Ware. “We want consumers to protect themselves from fraud by checking for a contractor’s license and insisting on a written contract.”

“Everyone wants to get back to normal quickly after a destructive storm,” Ware added, “but consumers need to be careful not to feel pressured into making rash home repair decisions.”

DPOR warns consumers to be aware of the warning signs for home repair scams. Watch out for con-artists or an unlicensed contractor who:

- Solicits door-to-door
- Just happens to have materials left over from a previous job
- Pressures you into making an immediate decision
- Asks you to pay for the entire job up-front
- Only accepts cash payments
- Does not list a business number in the local phone book

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Bidding or practicing without a state contractors license is a criminal offense, as is taking deposits without performing the promised work. Every year, DPOR Criminal Investigators bring more than 500 charges of unlicensed activity and fraud, resulting in over \$1 million in court-ordered victim restitution.

Consumers who have been victimized by a contractor scam should immediately call local police and contact the **DPOR Enforcement Division at (804) 367-8504** or the **Older Virginians Hotline at (804) 367-2178**.

The state agency recommends that all consumers follow these tips when hiring a contractor:

- **Deal only with a licensed contractor** who meets state requirements for expertise and performance. By hiring a licensed contractor, consumers make themselves eligible for monetary relief from the Contractors Transaction Recovery Fund in case of improper and dishonest conduct. You can check a contractor's license status and any disciplinary actions taken since January 2002 by visiting www.dpor.state.va.us or calling the Contractors Board at (804) 367-8511.
- **Ask friends and neighbors** for contractor referrals. An advertisement in the Yellow Pages or on TV isn't necessarily a good indication of the quality of a contractor's work.
- **Get written estimates** from several contractors. Don't automatically choose the lowest bidder – ask for explanations on price variations among proposals.
- **Insist on a detailed contract**, including agreed-upon start and finish dates. Licensed contractors are required by law to provide a contract for residential work. Consumers can print a sample contract that includes minimum requirements by visiting www.dpor.state.va.us. Don't rely on verbal agreements – get all guarantees, warranties, and promises in writing.
- **Don't pay 100% of the bill until the work is 100% complete.** Try to limit your down payment – a reputable contractor should be able to front the costs of supplies without a large sum of money from you. A deposit of one-third (30%) of the total cost is a good rule of thumb. Try to make payments during the project contingent upon completion of certain tasks – that way, if the contractor is behind schedule your payments are delayed.

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About DPOR

The Virginia Department of Professional and Occupational Regulation (DPOR) administers and enforces laws regulating 31 commercial occupations and certain professions. The agency licenses or certifies more than 250,000 individuals and businesses ranging from architects and contractors to cosmetologists and professional wrestlers.

DPOR investigates reports of regulatory violations by licensees; pursues complaints of criminal activity by unlicensed practitioners; responds to business-related consumer inquiries and requests for license checks; administers recovery funds for consumers harmed in contractor or real estate transactions; and conducts mediation services and public awareness campaigns.

For more information, visit DPOR online at www.dpor.state.va.us.